

Message Text

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UNCLAS TORONTO 0647

E.O. 11652: N/A
TAGS: PGOV, EGN, CA
SUBJECT: MINISTER PARIZEAU LAYS IT ON THE LINE TO TORONTO BUSINESS
COMMUNITY

1. AT AN OVERFLOW JOINT LUNCHEON MEETING OF THE EMPIRE CLUB OF CANADA AND THE BOARD OF TRADE OF METROPOLITAN TORONTO MARCH 17, QUEBEC FINANCE MINISTER PARIZEAU TOLD HIS APPROXIMATELY 1500 LISTENERS FROM THE HEART OF TORONTO'S FINANCIAL AND BUSINESS DISTRICT THAT NOT ONLY WAS THE PQ GOVERNMENT COMMITTED TO QUEBEC'S INDEPENDENCE, BUT THAT QUEBEC COULD SUCCEED AS AN INDEPENDENT COUNTRY AND THAT, IN ITS OWN INTERESTS, CANADA WOULD AGREE TO A CUSTOMS UNION WITH QUEBEC. THE SPEECH RECEIVED BARELY POLITE APPLAUSE BUT NOTHING IN COMPARISON TO THE SPONTANEOUS APPLAUSE WHICH INTERRUPTED BOARD OF TRADE PRESIDENT MCMURRICH'S SPEECH OF GRATITUDE WHEN HE MENTIONED THAT WHILE THOSE ASSEMBLED WERE PLEASED TO HEAR SUCH A FRANK STATEMENT, THE MINISTER WOULD HAVE TO REALIZE THAT MOST DID NOT AGREE WITH THE POSITION OF THE PQ GOVERNMENT REGARDING SEPARATION.

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2. PARIZEAU TOLD THOSE WHO WERE TAKING COMFORT IN THE IDEA THAT THE PQ WON ITS NOVEMBER 15 VICTORY ON THE BASIS OF BRINGING GOOD GOVERNMENT THAT WHILE IT WAS TRUE THAT HIS PARTY'S PRINCIPAL CAMPAIGN POINT WAS GOOD GOVERNMENT, THE LIBERAL CAMPAIGN WAS PRINCIPALLY DIRECTED AT THE PQ AS AN ENTITY FAVORING SEPARATION. HE SAID THAT EVEN IF ONE ACCEPTED THE THESIS THAT A PRO-GOOD-GOVERNMENT RATHER THAN A PRO-SEPARATIST PARTY

WON, IT MUST BE ADMITTED THAT AN ANTI-SEPARATIST CAMPAIGN WENT DOWN TO RESOUNDING DEFEAT.

3. PARIZEAU FELT THE CURRENT ECONOMIC SITUATION IS NOT AS BAD AS MANY DESCRIBE IT. HE SAID THE POINT SPREAD BETWEEN QUEBEC AND ONTARIO BONDS ON CANADIAN MARKETS FOLLOWING THE 1976 ELECTION HAS ACTUALLY BEEN LESS THAN THE POINT SPREAD FOR SOME PREVIOUS NEW GOVERNMENTS IN QUEBEC. HE NOTED THAT MANY FELT THAT PREMIER LEVESQUE MADE A MISTAKE IN GIVING SO DIRECT A SPEECH IN NEW YORK BUT PARIZEAU FELT THAT THE PREMIER HAD NO ALTERNATIVE BUT TO BE FRANK. HE COMMENTED THAT, WITH THE FEDERAL GOVERNMENT IN PETROCAN AND SASKATCHEWAN IN POTASH, THE IDEA OF NATIONALIZING THE ASBESTOS INDUSTRY IS NOT REALLY RAVID SOCIALISM. PARIZEAU NOTED THAT THE ONTARIO-QUEBEC BOND SPREAD ON THE NEW YORK MARKET WAS CONTINUING TO NARROW AND THAT QUEBEC EFFORTS IN EUROPEAN MARKETS HAD BEEN QUITE FAVORABLE. HE MENTIONED ALSO THAT IN RECENT YEARS MORE EMPLOYMENT IN QUEBEC HAD RESULTED FROM DOMESTIC EXPANSION BY QUEBEC SMALL FIRMS RATHER THAN AS RESULTS OF FOREIGN INVESTMENT.

3. THE MINISTER ALSO NOTED THE RECENT CANADIAN VIEW THAT, WHEN QUEBEC BECOMES INDEPENDENT, THE REMAINDER OF CANADA WOULD NOT AGREE TO AN ECONOMIC OR CUSTOMS UNION. PARIZEAU OBSERVED THAT THIS IS UNREALISTIC AS WHILE IT MIGHT NOT HURT THE WESTERN PROVINCES, IT WOULD CERTAINLY BE A MAJOR NEGATIVE FACTOR FOR ONTARIO AND FOR THE MARITIMES. IN THE LATTER CASE, THE ONLY PRACTICAL WAY TO ACHIEVE THE FREE TRANSIT NECESSARY WOULD BE THROUGH A CUSTOMS UNION.

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5. NOTING THE RECENT ARTICLE IN MACLEAN'S MAGAZINE WHICH PURPORTED TO SHOW THAT QUEBEC RECEIVED MORE MONETARY BENEFIT FROM CONFEDERATION THAT IT CONTRIBUTED, PARIZEAU SAID THESE FIGURES WERE WRONG AND THE SITUATION WAS ACTUALLY THE REVERSE.

6. PARIZEAU WAS DIRECT IN HIS STATEMENTS REGARDING THE INTENT OF THE PQ GOVERNMENT TO PUSH FOR INDEPENDENCE, EXPRESSING HOPE THAT THE TRADITIONAL CLOSE RELATIONSHIPS WITH ONTARIO WOULD CONTINUE. HE OBSERVED THAT IN THE 1960S, WHEN THERE WAS STILL A CHANCE TO SAVE QUEBEC IN CONFEDERATION, THE PREMIERS OF QUEBEC AND ONTARIO WERE PROGRESSIVE POLITICIANS WHO UNDERSTOOD THE SITUATION BUT THAT, EVEN THEN, THE OBSTACLE WAS THE BLIND DEMAND FOR STRONG CENTRALISM ON THE PART OF THE FEDERAL GOVERNMENT.

7. COMMENT: MINISTER PARIZEAU DELIVERED A WELL-WRITTEN SPEECH OF A STYLE THAT WOULD HAVE NATURAL APPEAL TO HIS BUSINESS AUDIENCE. HOWEVER, WHILE THE AUDIENCE WAS NOT ANTAGONISTIC, IT WAS CLEAR THAT IT DID NOT ACCEPT THE MINISTER'S PHILOSOPHY OR HIS OBSERVATIONS ON QUEBEC'S BENEFITS FROM

CONFEDERATION AND ITS ABILITY TO STAND INDEPENDENT. AS IS
BECOMING CHRONIC ON THE ECONOMIC SIDE OF THE QUEBEC-CONFEDERATION
ARGUMENT, EVERYTHING DEPENDS ON WHO IS MASSAGING WHOSE
STATISTICS AND THE PURPOSE FOR WHICH THEY ARE BEING PRESENTED.
DIGGINS

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